

No. 25155

**FEDERAL REPUBLIC OF GERMANY
and
INDIA**

**Agreement concerning financial co-operation. Signed at
New Delhi on 20 May 1986**

Authentic texts: German, Hindi and English.

Registered by the Federal Republic of Germany on 24 July 1987.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
INDE**

**Accord de coopération financière. Signé à New Delhi
le 20 mai 1986**

Textes authentiques : allemand, hindi et anglais.

Enregistré par la République fédérale d'Allemagne le 24 juillet 1987.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE REPUBLIC OF INDIA CONCERNING FINANCIAL CO-OPERATION

The Government of the Federal Republic of Germany and the Government of the Republic of India,

In the spirit of the friendly relations existing between the Federal Republic of Germany and the Republic of India,

Desiring to strengthen and intensify those friendly relations through financial co-operation in a spirit of partnership,

Aware that the maintenance of those relations constitutes the basis of this Agreement,

Intending to contribute to social and economic development in the Republic of India,

With reference to the negotiations of 10 to 12 April 1985 and to item 2.2.5 of the Minutes of 12 April 1985, as well as to the letter of 20 December 1985 from the Government of the Republic of India (Ministry of Finance, Department of Economic Affairs, D.O. No. 804-DS (EEC)/85,

Have agreed as follows:

Article 1. The Government of the Federal Republic of Germany shall enable the Government of the Republic of India or other recipients to be determined jointly by the two Governments to obtain from the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, subject to the fulfilment of the applicable budgetary requirements, a loan of up to DM 35,000,000 (thirty-five million Deutsche Mark) for the purposes referred to in Article 2 of this Agreement.

Article 2. (1) The loan referred to in Article 1 of this Agreement shall be utilized in accordance with the provisions of paragraph 2 below.

(2) A loan of up to DM 35,000,000 (thirty-five million Deutsche Mark) shall be made available to finance capital goods to meet India's civilian requirements whose order value in individual cases does not exceed DM 7,000,000 (seven million Deutsche Mark). In exceptional cases supplies worth up to DM 10,000,000 (ten million Deutsche Mark) may be included in this procedure. Orders worth over DM 2,000,000 (two million Deutsche Mark) shall be subject to the prior approval of the Kreditanstalt für Wiederaufbau. The disbursement of the amounts so loaned shall extend over a period ending on 31 July 1989. The Government of the Federal Republic of Germany proceeds on the understanding that the Government of the Republic of India will utilize the counterpart rupee funds accruing from the sale of the Deutsche Mark so loaned for development projects.

Article 3. (1) The utilization of the amount referred to in Article 1 of this Agreement as well as the terms and conditions on which it is made available shall be governed by the provisions of the agreements to be concluded between the recipients

¹ Came into force on 20 May 1986 by signature, in accordance with article 8.

of the loan and the Kreditanstalt für Wiederaufbau, which agreements shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

(2) The Government of the Republic of India, in so far as it is not itself the borrower, shall guarantee to the Kreditanstalt für Wiederaufbau all payments in Deutsche Mark to be made in fulfilment of the borrowers' liabilities under the agreements to be concluded pursuant to paragraph 1 above.

Article 4. The Government of the Republic of India shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in India in connection with the conclusion and implementation of the agreements referred to in Article 3 of the present Agreement.

Article 5. Both Governments shall allow passengers and suppliers free choice of transport enterprises for such transportation by sea or air of persons and goods as results from the granting of the loan, abstain from taking any measures that might exclude or impair the participation on equal terms of transport enterprises having their place of business in the area of application of this Agreement, and grant any necessary permits for the participation of such enterprises.

Article 6. With regard to supplies and services resulting from the granting of the loan, the Government of the Federal Republic of Germany attaches particular importance to preferential use being made of the economic potential of Land Berlin.

Article 7. With the exception of those provisions of Article 5 which refer to air transport, this Agreement shall also apply to Land Berlin, provided that the Government of the Federal Republic of Germany does not make a contrary declaration to the Government of the Republic of India within three months of the date of entry into force of this Agreement.

Article 8. This Agreement shall enter into force on the date of signature thereof.

DONE at New Delhi on 20 May 1986 in duplicate in the German, Hindi and English languages, all three texts being authentic. In case of divergent interpretations of the German and Hindi texts, the English text shall prevail.

For the Government
of the Federal Republic of Germany:

[Signed — Signé]¹

For the Government
of the Republic of India:

[Signed — Signé]²

¹ Signed by Günther Schödel — Signé par Günther Schödel.

² Signed by Venkitaramanan — Signé par Venkitaramanan.